



**DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR**

**NOTICE OF INTENT TO ACT UPON REGULATION LCB FILE
NO. R099-13**

**NOTICE OF A HEARING FOR THE ADOPTION OF REGULATION
LCB File No. R099-13 THE CHARTER SCHOOL FINANCING LAW.**

The Department of Business and Industry will hold a Public Hearing at 9:00 am., on February 25, 2013, at 555 E. Washington Ave, Suite 4900, Las Vegas, NV 89101 and video conferenced to 1830 College Parkway, Suite 100, Carson City, NV 89706. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of regulations, LCB File No. R099-13, that pertains to Chapter 386 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 241.020 and 233B.061:

1. The need and purpose of the proposed permanent regulation:
Regulation LCB R099-13 delineates the administration and application requirements of NRS 386.612 TO 386.649, Charter School Financing Law.
2. To obtain a copy of the proposed regulation as revised by the Legislative Counsel Bureau, write the Department of Business and Industry, 555 E. Washington Avenue, Las Vegas, NV 89101 or telephone Kent Steadman at (702) 486-3755 or email at ksteadman@business.nv.gov. Copies of pertinent documents will also be made available on the B&I web site at: www.business.nv.gov.
3. A statement of the estimated economic effect of the regulation on business which it is to regulate and on the public. These must be stated separately and in each case must include: both adverse and beneficial effects and both immediate and long-term effects. The estimated economic effect of the regulation on the business which it is to regulate:
 - a. Adverse effect:
 - i. Immediate effect - No adverse effect due to the promulgation of this regulation.
 - ii. Long-term effect - No adverse effect due to the promulgation of this regulation.
 - b. Beneficial effect:
 - i. Immediate effect – Charter schools will be able to apply for and potentially receive low interest bond financing, which will enable them to construct and own their own buildings rather than leasing their buildings. This may enable them to offer a broader range of services because they will not be spending most of their money on the lease of the building.
 - ii. Long-term effect - Charter schools will have more stability and potentially lower costs because they will own their buildings and will

- not be subject to the whims of a landlord who could raise the rental prices unnecessarily.
4. The estimated economic effect of the regulation on the public:
 - a. Adverse effect:
 - i. Immediate effect - No adverse effect due to the promulgation of this regulation.
 - ii. Long-term effect - No adverse effect due to the promulgation of this regulation.
 - b. Beneficial effect:
 - i. Immediate effect – The public may become aware of low interest bond financing for charter schools and encourage a charter school to be built in their neighborhood.
 - ii. Long-term effect – With charter school in a potentially more stable situation with regards to their buildings, the public will likely feel better about those schools and perhaps enroll their children there.
 5. Estimated cost to the agency for enforcement of the proposed regulations: None.
 6. A description of and citation to any regulations of other state or local government agencies which the proposed regulation overlaps or duplicates and why the duplication or overlapping is necessary. This regulation does not overlap or duplicate any other agencies.
 7. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency: This regulation does not duplicate other state or local governments or federal regulations.
 8. If the regulation is required pursuant to federal law, a citation and description of the federal law: The regulation is not required by federal law.
 9. If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions: This regulation has no federal companion regulations.
 10. The proposed regulation does not establish a new fee or increases an existing fee.

Persons wishing to comment upon the proposed action of the Director of the Department of Business and Industry may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Director of the Department of Business and Industry, 555 E. Washington Ave, Suite 4900, Las Vegas, NV 89101. Written submissions must be received by the Director of the Department of Business and Industry on or before February 20, 2014. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Director of the Department of Business and Industry may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation to be adopted, LCB File No. R099-13, will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be adopted, LCB File No. R099-13, will be available at 555 E. Washington Ave. Suite 4900, Las Vegas, NV 89101 and 1830 College Parkway Suite 100, Carson City, NV 89706, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us/>. Copies of this notice and the proposed regulation, LCB File No. R099-13, will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701

Legislative Building, 401 South Carson Street, Carson City, NV 89701

Grant Sawyer State Building, 555 E. Washington Ave., Las Vegas, NV 89101

Department of Administration, 209 East Musser Street, Room 200, Carson City, Nevada 89701-4298

Department of Business & Industry, www.business.nv.gov

Department of Business & Industry, 555 E Washington Ave, Ste. 4900, Las Vegas, NV. 89101

Department of Business & Industry, 1830 College Pkwy, Suite 100, Carson City, NV. 89706

Carson City Library, 900 North Roop St, Carson City, NV. 89701-3101

Churchill County Library, 553 South Main St, Fallon, NV. 89406-3306

Las Vegas-Clark County Library District Headquarters, 833 Las Vegas Blvd North, Las Vegas, NV. 89101-2062

Douglas County Public Library, 1625 Library Lane, Minden, NV. 89423-0337

Elko County Library, 720 Court Street, Elko, NV. 89801-3397

Esmeralda County Library, corners of Crook & 4th St, P.O. Box 430, Goldfield, NV. 89013-0430

Lincoln County Library, 63 Main Street, Pioche, NV. 89043

Lyon County Library System, 20 Nevin Way, Yerington, NV. 89447-2399

Mineral County Public Library, 110 1st Street, Hawthorne, NV. 89415

Pershing County Library, 1125 Central Avenue, Lovelock, NV. 89419

Storey County Public Library, 95 South "R" Street, Virginia City, NV. 89440

Tonopah Public Library, 167 South Central Street, Tonopah, NV. 89049

Eureka County Library, 10190 Monroe Street, Eureka, NV. 89316

Humboldt County Library, 85 East 5th Street, Winnemucca, NV. 89445-3095

Battle Mountain Branch Library, 625 South Broad Street, Battle Mountain, NV. 89820

Washoe County Library System, 301 South Center Street, Reno, NV. 89501-2102

White Pine County Library, 950 Campton Street, Ely, NV. 89301



**DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR**

**AGENDA FOR PUBLIC HEARING FOR THE ADOPTION OF REGULATION
LCB File No. R099-13 THE CHARTER SCHOOL FINANCING LAW.**

Date and Time of Meeting: Tuesday, February 25, 2014, 9:00 A.M.

Place of Meeting: **Live Meeting:**
555 E. Washington Avenue
Suite 4900
Las Vegas, NV 89101

Video Conference To:
1830 College Parkway
Suite 100
Carson City, NV 89706

Agenda

- I. Call to order and welcome – Ash Mirchandani, Deputy Director, Department of Business and Industry.
- II. Public Comment – may limit public comment to 5 minutes per speaker.
- III. Introduction and discussion regarding the proposed permanent regulation LCB File No. R099-13 for the Charter School Financing Law NRS 386.612 TO 386.649.
 - a. Introduction and discussion regarding the proposed regulations for the Charter School Financing Law Program (Discussion).
 - b. Consideration of comments received prior to the hearing date (Discussion).
 - c. Public Comment – may limit public comment to 5 minutes per speaker.
- IV. Public Comment – may limit public comment to 5 minutes per speaker.
- V. Adjournment

Agenda items may be taken out of order. Two or more agenda items may be combined for consideration. An item may be removed or discussion on an item may be delayed at any time.

To obtain a copy of the proposed regulation as revised by the Legislative Counsel, as well as the Small Business Impact Statement and other supporting documents, write the Department of Business and Industry, 555 E. Washington Avenue, Las Vegas, NV 89101

or telephone Kent Steadman at (702) 486-3755 or email at ksteadman@business.nv.gov . Copies of pertinent documents will also be made available on the B&I web site at: www.business.nv.gov.

Written comments must be received by the Department of Business and Industry on or before February 20, 2014 at the following address:

Department of Business and Industry
Director's Office
555 E. Washington Avenue
Las Vegas, NV 89101

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Department of Business in writing at 555 E. Washington Avenue, Las Vegas, NV 89101 or call Kent Steadman at (702) 486-3755, at least 72 hours prior to the meeting date and time.

This notice has been at the following locations:

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**PROPOSED REGULATION OF THE DIRECTOR OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY
LCB File No. R099-13**

October 18, 2013

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-4 and 11, NRS 386.649; §§5 and 6, NRS 386.633 and 386.649; §7, NRS 386.628 and 386.649; §§8-10, NRS 386.634 and 386.649.

A REGULATION relating to charter schools; establishing a procedure for requesting the issuance of bonds by the Director of the Department of Business and Industry to finance a project for the benefit of a charter school; requiring that such a project comply with applicable state and federal statutes and regulations; specifying certain mandatory and optional terms to be included in a financing agreement between the Director and an obligor; imposing certain requirements governing the sale of bonds, the investment of the proceeds of bonds and bonds which provide for a variable rate of interest; and providing other matters properly relating thereto.

Sec. 1. Chapter 386 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 11, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Bond financing” means the financing of a project through the issuance of bonds pursuant to NRS 386.612 to 386.649, inclusive.*

Sec. 4. *“Charter school” means the charter school for whose benefit a project is being financed.*

Sec. 5. *A request by an obligor for bond financing pursuant to NRS 386.630 and 386.632 must be made by the submission of a written application to the Director, on a form prescribed by the Director. In addition to any other information required by NRS 386.612 to 386.649, inclusive, the application must include or be accompanied by:*

1. The name of the obligor and any other name under which the obligor does business or expects to do business;

2. The business and residential addresses of the obligor, as applicable, including the street name and number of each address;

3. If the obligor is a corporation, association or other entity described in NRS 386.621, other than a governmental entity, the name and residential address of each director, officer, partner and manager of the obligor, as applicable;

4. Information relating to each bond credit rating received by the obligor within the 12 months immediately preceding the date of the application;

5. A description of the project;

6. The address of the project, including the street name and number of that address;

7. The number of pupils attending the charter school;

8. A statement by the sponsor of the charter school that the charter school is not in default under its current written charter or charter contract;

9. If the written charter or charter contract of the charter school requires a review of the project by the sponsor of the charter school, documentary evidence that the review has been completed;

10. A statement of all local, state and federal requirements which must be complied

with to complete the project and the status of any process of approval applicable to each such requirement;

11. The expected date of maturity and the amount of the bonds; and

12. Any other information which the Director determines is necessary in a particular case and which is reasonably related to the obligor's qualifications for the bond financing.

Sec. 6. *To qualify for bond financing, a project must comply with all applicable state and federal statutes and regulations, including, without limitation, statutes and regulations relating to environmental protection and energy efficiency.*

Sec. 7. *If a request for bond financing is approved by the Director:*

1. The obligor shall enter into a written financing agreement with the Director, contingent upon action by the State Board of Finance pursuant to NRS 386.632 and 386.633, setting forth the respective rights and duties of the Director and the obligor.

2. In addition to the provisions required by NRS 386.619, the financing agreement:

(a) Must set forth any fees of the Department of Business and Industry applicable to the bond financing.

(b) May require the obligor to disclose such records and information and be subject to such audit requirements as the Director deems appropriate.

(c) Must require the obligor to pay in advance the estimated costs of processing and implementing the request for bond financing and the financing agreement, in such amounts and at such times as determined by the Director.

3. The Director will submit his or her findings to the State Board of Finance for approval pursuant to NRS 386.632 and 386.633.

Sec. 8. *If the State Board of Finance approves a request for bond financing, the Director may adopt a resolution setting forth the final terms of the bonds.*

Sec. 9. *The proposed costs of issuing the bonds must be approved by the Director before any preliminary official statement or marketing materials are released.*

Sec. 10. *1. Bonds may be sold in the public bond market or privately placed.*

2. While they remain outstanding, any bonds providing for a variable rate of interest must use hedging or another mechanism to maintain the interest rate of the bonds within a range determined by the Director. The cost of any such protections must be accounted for in calculating the cost of such bonds in comparison to the cost of bonds not providing for a variable rate of interest.

3. Any investment of the proceeds of bonds must first be approved by the Director and must comply with the requirements of chapter 386 of NRS.

Sec. 11. *Any person who wishes to obtain:*

1. Clarification of any provision of sections 2 to 11, inclusive, of this regulation;

2. Relief from the strict application of any such provision; or

3. Additional information about the procedure for submitting an application pursuant to section 5 of this regulation,

↪ may mail a written request addressed to the attention of the Director at the Department of Business and Industry, 555 East Washington Avenue, Suite 4900, Las Vegas, Nevada 89101-1075.